

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2000-364-C - ORDER NO. 2000-890

NOVEMBER 1, 2000

IN RE: Application of Global Telelink Services, Inc.)	ORDER
for a Certificate of Public Convenience and)	APPROVING
Necessity to Provide Facilities-Based)	APPLICATION
Interexchange and Local Exchange)	
Telecommunications Services within the State)	
of South Carolina.)	

This matter comes before the Public Service Commission of South Carolina (the "Commission") by way of the Application of Global Telelink Services, Inc. ("Global" or the "Company") requesting a Certificate of Public Convenience and Necessity authorizing it to operate as a facilities-based interexchange and local exchange telecommunications service provider within the State of South Carolina. The Company's application was filed pursuant to S.C. Code Ann. §58-9-280 and §58-9-520 (Supp. 1999) and the Regulations and Orders of the Public Service Commission of South Carolina.

By letter, the Commission's Executive Director instructed Global to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the areas affected by the Application. The proposed Notice of Filing was to inform interested parties of the manner and time in which to file the appropriate pleadings for participation in the proceedings. Global complied with this instruction and provided the Commission with proof of publication of the Notice of Filing.

A Petition to Intervene was received from the South Carolina Telephone Coalition ("SCTC") on September 18, 2000. Thereafter, on September 28, 2000, Counsel for SCTC filed with the Commission a Stipulation in which Global stipulated that it would only seek authority in non-rural local exchange ("LEC") service areas of South Carolina and that it would not provide any local service to any customer located in a rural incumbent's service area, unless and until Global provided written notice of its intent prior to the date of the intended service. Global also stipulated that it was not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas. Global agreed to abide by all State and Federal laws and to participate to the extent that it may be required to do so by the Commission in support of universally available telephone service at affordable rates. The SCTC withdrew its opposition to the granting of a statewide Certificate of Public Convenience and Necessity to Global provided the conditions contained in the Stipulation are met. The Stipulation is approved and attached as Order Exhibit 1.

A hearing was commenced on October 18, 2000, at 11:30 a.m., in the Commission's Hearing Room. The Honorable William Saunders, Chairman, presided. John F. Beach, Esquire, represented the Company. Global presented the testimony of Tom McLean, Director of Telecommunications Interests. Jocelyn D. Green, Staff Counsel, represented the Commission Staff. William P. Blume, Audit Manager Two, and James M. McDaniel, Chief of Telecommunications, testified on behalf of the Commission Staff.

McLean testified Global was formed in 1998 to develop and market state-of-the-art hardware and software for use in providing low-cost domestic and international long distance services. The Company thereafter monitored the changes occurring in the telecommunications industry and Global soon became an integrated communications provider (ICP). Global then shifted its goal of providing long distance to that of providing quality, low-cost local phone service, long distance service, data and internet access as well as future implementation of a wireless cellular service. To meet these goals, the Company has employed a staff of highly qualified industry professionals who are dedicated to making Global a leading provider in the telecommunications industry.

Global intends to market its services nationwide. The Company has obtained local and long distance authority in ten states with applications pending or being filed in the remaining forty states. The Company is currently negotiating with BellSouth Telecommunications for an interconnection agreement and the Company expected an executed agreement by the end of the week of the hearing before the Commission. Global has retained counsel and requested interconnection agreements to be negotiated with Verizon and Qwest.

The Company's current Global Gateway structure has fifty-five gateways strategically located both domestically and internationally. Global's current short-term plans include deployment of sixty additional gateways, three of which will be located in South Carolina. Future gateway placements will be implemented to facilitate naturally occurring traffic patterns as set forth by the Company's customer base. The Company plans to use the domestic and international placements to provide affordable enhanced

local and long distance combination offerings to an ever-expanding and diverse population.

As an internet service provider, Global has the equipment necessary for its base operations in Georgia and the Company will deploy local components of this network as competitive local exchange carrier status and interconnection agreements are obtained. The Company's customers will have a wide range of choice for interconnectivity including dial-up, ISDN, T-1, DSL, and wireless DSL services. Global intends to commence negotiations for its wireless services at the beginning of next year with full deployment by the end of the year 2001.

According to Mr. McLean's testimony, Global has a state-of-the-art call center facility capable of providing customer service needs on a twenty-four hour per day, seven days per week basis. In addition, the Company has gained rights to custom distributed software that will allow Global to fully supervise local call center seats at other locations around the country from the Company's facilities located in Atlanta, Georgia. Mr. McLean testified further that Global is committed to offering its customers a full range of quality telecommunications and data services.

The record reveals that the management of Global consists of the following persons: Bob Smith (President), Todd Burt (Director, Research and Development), Robert Fisak (Vice President of Operations), Jim Jordan (Director of National Sales and Marketing) and Mr. McLean. According to the record, Mr. Smith began writing a software application for the prepaid cellular phone industry. In addition, he helped form Global to develop, build, deploy and operate next generation digital telephone switches

providing low cost telephone service. The record also reveals Mr. Burt became employed with Global with an extensive technical background in the voice and data industries. For example, from 1972 through 1983, Mr. Burt designed, built, and installed customer telephony circuits. In 1996, Mr. Burt became Southeast District Sales Manager for Natural MicroSystems where he developed OEM relationships with manufacturers of various telecommunications products. Mr. Fisak has a background in the public sector and security field. His responsibilities with Global focus on international business development and business operations. Finally, Mr. Jordan has highly advanced experience and knowledge in the communications industry with an extensive background in communications network technology. For example, in 1989, Mr. Jordan founded a speaker company that became a supplier of speaker systems on an OEM basis to companies such as KRACO, Altac-Lansing, and Casio.

According to the testimony, as of the date of the hearing Global had not provided intrastate telecommunications services within the State of South Carolina. Global intends to market its services through personal and telephone contact by Global's employees and/or authorized distributors. Additionally, Global intends to advertise its services through print, radio, and television media, as well as various forms of direct mailing. Finally, Global reviewed all of the proposed changes and revisions to the Company's tariff that were presented by the Commission Staff. The Company has agreed to work with the Commission Staff to accommodate Staff's proposed changes before the Company files its final tariff with the Commission.

Blume testified as to his findings of the Audit Department's review of Global's financial statements that were a part of the Company's Application. The financial statements Blume reviewed were dated as of March 31, 2000. According to Blume, the Company was very liquid as of March 31, 2000 – cash made up some 52% of the Applicant's assets as of that date. Additionally, Blume testified the Company's current ratio, which is an indication of the Company's ability to meet its current liabilities with current assets, is a very strong 3.00. He stated further that there are enough current assets to meet the current liabilities. Blume also testified that long term debt is somewhat high, but this would appear to be normal for a company at this stage of development. Finally, Blume testified that it is Staff's position that Global is typical of a company beginning in the telecommunications' industry.

McDaniel presented testimony to the Commission on the Utilities Departments findings with respect to Global's Application for a Certificate of Public Convenience and Necessity. McDaniel's testimony includes several recommended changes to the Company's local and long distance tariffs. Additionally, McDaniel mentioned that Global seeks a waiver of 26 S.C. Code Ann. Regs. 103-610 (1976), which requires all company records to be maintained within the State of South Carolina. Global seeks to maintain its books and records in Atlanta, Georgia. The Company also requests a waiver of 26 S.C. Code Ann. Regs. 103-631 (1976 and Supp. 1999), which requires the publication and distribution of local telephone directories and the provision of directory listings. Global will contract with the incumbent local exchange carriers (and/or their

directory publishing affiliates) to provide its customers with directory listings as well as to undertake the distribution of directories.

After full consideration of the applicable law, the Company's Application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. Global is organized as a corporation under the laws of the State of Georgia and has received a certificate from the South Carolina Secretary of State to transact business within South Carolina as a foreign corporation.
2. Global wishes to provide local exchange services and interexchange services within the State of South Carolina.
3. The Commission finds that Global possesses the technical, financial, and managerial resources sufficient to provide the service requested.
4. The Commission finds that Global's "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. §58-9-280(B)(3) (Supp. 1999).
5. The Commission finds that Global will support universally available telephone service at affordable rates.
6. The Commission finds that Global will provide services which will meet the service standards of the Commission.

7. The Commission finds that the provision of local exchange service by Global "does not otherwise adversely impact the public interest." S.C. Code Ann. §58-9-280(B)(5) (Supp. 1999).

CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to Global to provide competitive resold and facilities-based intrastate local exchange services only to customers located in the non-rural areas of South Carolina. The terms of the Stipulation between Global and the SCTC are approved, and adopted as a portion of this Order. Any proposal to provide local exchange service to a customer in a rural incumbent LEC's service area is not included in the instant grant of authority. Further, the Company is granted authority to provide intrastate interLATA service and to originate and terminate toll traffic within the same LATA, as set forth herein, through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Service (MTS), directory assistance, travel card service or any other services authorized for resale by tariffs of carriers approved by the Commission.

2. With regard to the interexchange service offerings of Global, the Commission adopts a rate design which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

3. Global shall not adjust its interexchange rates below the approved maximum level without notice to the Commission and to the public. Global shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 6, 1993). Any proposed increase in the maximum rate level for interexchange services reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1999).

4. If it has not already done so by the date of issuance of this Order, Global shall file its revised long distance tariff and an accompanying price list within thirty (30) days of receipt of this Order. The Company shall file its revised local tariff prior to commencement of operations within South Carolina. The revised tariffs shall be consistent with the findings of this Order and shall be consistent with the Commission's Rules and Regulations.

5. Global is subject to access charges pursuant to Commission Order No. 86-584 in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

6. With regard to the Company's resale of interexchange service, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.

7. Global shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If Global changes underlying carriers, it shall notify the Commission in writing.

8. With regard to the origination and termination of toll calls within the same LATA, Global shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993), with the exception of the 10-XXX intraLATA dialing requirement, which has been rendered obsolete by the toll dialing parity rules established by the Federal Communications Commission, pursuant to the Telecommunications Act of 1996 (See, 47 CFR 51.209).

9. Global shall file annual surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports can be found at the Commission's website at www.psc.state.sc.us/forms. The title of the forms which the Company shall utilize to file annual surveillance reports with the Commission is "Annual Information on South Carolina Operations For Interexchange Companies and AOS".

10. Title 23, Chapter 47, South Carolina Code of Laws Ann., governs the establishment and implementation of a "Public Safety Communications Center," which is more commonly known as a "911 system" or "911 service." Services available through a

911 system include law enforcement, fire, and emergency medical services. In recognition of the necessity of quality 911 services being provided to the citizens of South Carolina, the Commission hereby instructs Global to contact the appropriate authorities regarding 911 service in the counties and cities where the Company will be operating. Contact with the appropriate 911 service authorities is to be made before beginning telephone service in South Carolina. Accompanying this Order is an information packet from the South Carolina Chapter of the National Emergency Number Association ("SC NENA") with contact information and sample forms. The Company may also obtain information by contacting the E911 Coordinator at the Office of Information Resources of the South Carolina Budget and Control Board. By this Order and prior to providing services within South Carolina, Global, shall contact the 911 Coordinator in each county, as well as the 911 Coordinator in each city where the city has its own 911 system, and shall provide information regarding the Company's operations as required by the 911 system.

11. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours.

Global shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. The

Company shall utilize the "Authorized Utility Representative Information" form which can be located at the Commission's website at www.psc.state.sc.us/forms to file the names of these representatives with the Commission. Further, the Company shall promptly notify the Commission in writing if the representatives are replaced.

12. Global shall conduct its business in compliance with Commission decisions and Orders, both past and future, including but not limited to, any and all Commission decisions which may be rendered in Docket No. 96-018-C regarding local competition.

13. Global shall file annual financial information in the form of annual reports and gross receipts reports as required by the Commission. The annual report and the gross receipt report will necessitate the filing of intrastate information. Therefore, Global shall keep financial records on an intrastate basis for South Carolina to comply with the annual and gross receipts filings. The "Annual Report for Competitive Local Exchange Carriers" form can be located at the Commission's website at www.psc.state.sc.us/forms. This form shall be utilized by the Company to file annual financial information with the Commission.

14. By its Application, Global requested waivers from Commission requirements (1) of publishing a directory and (2) of maintaining its books and records within the State of South Carolina. The Commission finds the reasoning behind Global's requests for waivers of publishing a directory and maintaining its records required under the Commission's rules be kept within the State of South Carolina reasonable and hereby grants the waivers of these regulations. Global is directed to comply with all Rules and

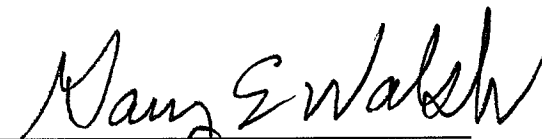
Regulations of the Commission, unless a regulation is specifically waived by the Commission.

15. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)

BEFORE
THE PUBLIC SERVICE COMMISSION
OF
SOUTH CAROLINA

Docket No. 2000-364-C

Re: Application of Global Telelink Services, Inc.)
for a Certificate of Public Convenience and)
Necessity to Provide Local Exchange and)
Interexchange Telecommunications Services)
in the State of South Carolina)

STIPULATION

The South Carolina Telephone Coalition ("SCTC") (see attachment "A" for list of companies) and Global Telelink Services, Inc. ("Global Telelink") hereby enter into the following stipulations. As a consequence of these stipulations and conditions, SCTC does not oppose Global Telelink's Application. SCTC and Global Telelink stipulate and agree as follows:

1. SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to Global Telelink, provided the South Carolina Public Service Commission ("Commission") makes the necessary findings to justify granting of such a certificate, and provided the conditions contained within this stipulation are met.

2. Global Telelink stipulates and agrees that any Certificate which may be granted will authorize Global Telelink to provide service only to customers located in non-rural local exchange company ("LEC") service areas of South Carolina, except as provided herein.

3. Global Telelink stipulates that it is not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas.

4. Global Telelink stipulates and agrees that it will not provide any local service, by its own facilities or otherwise, to any customer located in a rural incumbent LEC's service area, unless

and until Global Telelink provides such rural incumbent LEC and the Commission with written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. Also, Global Telelink acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause.

5. Global Telelink stipulates and agrees that, if Global Telelink gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, and either (a) the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law within such 30-day period, or (b) the Commission institutes a proceeding of its own, then Global Telelink will not provide service to any customer located within the service area in question without prior and further Commission approval.

6. Global Telelink acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service which the Commission may implement, so long as such policies, procedures, and guidelines do not conflict with Federal or State law.

7. The parties stipulate and agree that all rights under Federal and State law are reserved to the rural incumbent LECs and Global Telelink, and this Stipulation in no way suspends or adversely affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled.

8. Global Telelink agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.

9. Global Telelink hereby amends its application and its prefiled testimony in this docket to the extent necessary to conform with this Stipulation.

AGREED AND STIPULATED to this 27th day of September, 2000.

Global Telelink Services, Inc.:

John J. Pringle Jr.

South Carolina Telephone Coalition:

Margaret M. Fox

M. John Bower, Jr.
Margaret M. Fox
McNAIR LAW FIRM, P.A.
Post Office Box 11390
Columbia, South Carolina 29211
(803) 799-9800

Attorneys for the South Carolina Telephone
Coalition

ATTACHMENT A

South Carolina Telephone Coalition Member Companies for Purposes of Local Service Stipulation

ALLTEL South Carolina, Inc.
Chesnee Telephone Company
Chester Telephone Company
Farmers Telephone Cooperative, Inc.
Ft. Mill Telephone Company
Heath Springs Telephone Company Inc.
Home Telephone Company, Inc.
Lancaster Telephone Company
Lockhart Telephone Company
McClellanville Telephone Company
Norway Telephone Company
Palmetto Rural Telephone Cooperative, Inc.
Piedmont Rural Telephone Cooperative, Inc.
Pond Branch Telephone Company
Ridgeway Telephone Company
Rock Hill Telephone Company
Sandhill Telephone Cooperative, Inc.
St. Stephen Telephone Company
West Carolina Rural Telephone Cooperative, Inc.
Williston Telephone Company

BEFORE
THE PUBLIC SERVICE COMMISSION
OF
SOUTH CAROLINA

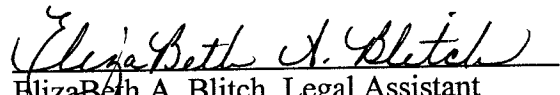
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Re: Application of Global Telelink Services, Inc.)
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Necessity to Provide Local Exchange and)
Interexchange Telecommunications Services)
in the State of South Carolina)
_____)

**CERTIFICATE OF
SERVICE**

I, ElizaBeth A. Blitch, do hereby certify that I have this date served one (1) copy of the foregoing Stipulation upon the following party of record by causing said copy to be deposited with the United States Mail, first class postage prepaid to:

Jack J. Pringle, Jr., Esquire
Beach Law Firm, P.A.
Post Office Box 11547
Columbia, South Carolina 29211-1547.


ElizaBeth A. Blitch, Legal Assistant
McNAIR LAW FIRM, P.A.
Post Office Box 11390
Columbia, South Carolina 29211
(803) 799-9800

²⁸ *EAB*
September 27, 2000

Columbia, South Carolina